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The Director of Central Intelligence

Washington, D.C. 20505

NIC #4899-83
6 July 1983

National Intelligence Council

MEMORANDUM FOR: Director of Central Intelligence
 : Deputy Director of Central Intelligence

FROM : David Y. McManis
 National Intelligence Officer for Warning

SUBJECT : NIO Monthly Warning Assessments: June

1. The reports on the NIO warning meetings are attached.
2. Comments on warning situation.

a. USSR

(1) The Soviets probably will intensify their anti-INF campaign in the next three months through further threats and inducements. West Germany will remain the principal target of Soviet initiatives.

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Germans [redacted] might be "forced" to harass transit and communications between West Germany and West Berlin.

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(2) Moscow probably will refrain from blatant threats during Chancellor Kohl's visit in early July, calculating that the most effective way to induce his government to change its support for adhering to the present INF deployment schedule is by stimulating public and political opposition in West

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(3) Recent Soviet comments on the nature of intended countermeasures against the U.S. are consistent with current assessments that the USSR is unlikely to introduce land-based missiles in Cuba or base missile submarines at Cuban ports. Officials of the USA Institute implied in early June that the Soviets would reposition missile submarines or deploy cruise missile ships along the U.S. 200-mile territorial waters limits, but they ruled out deploying missiles to Cuba or Nicaragua.

b. Middle East

(1) Syria's maneuvers to secure firm control of the PLO as an instrument of Syrian policy will have far-reaching consequences in Arab politics. It will substantially strengthen Syria's position in Lebanon, particularly if the Syrians bring the northern port of Tripoli under their control, and reinforce Syria's capacity to intimidate Jordan and Saudi Arabia into supporting its policy toward Israel and an Arab-Israeli settlement.

(2) Syria's reported intention to instigate disturbances in Tripoli as part of a plan to bring the city and its surrounding area under firm control may be a prelude to the creation of a separatist government in Lebanon headed by former president Franjiyah, former prime minister Karami, and Druze leader Junblatt. Formation of a Syrian-controlled regime would be intended in part as a reaction to the Lebanese parliament's ratification of the Lebanese-Israeli withdrawal agreement and, more ominously, as a harbinger of Syrian moves to destabilize the Gemayel government and eventually to overthrow it.

(3) Although neither Syria nor Israel intends to initiate major hostilities in the next three months, Syrian moves to subvert the Gemayel government or intensify Palestinian attacks on Israeli troops in Lebanon would force the Begin government to respond with political pressures to counter Syrian interference in Lebanese politics and perhaps with reprisal strikes against Palestinian and Syrian forces in Lebanon. The fragmentation of the PLO and the possible removal or assassination of Arafat will strengthen the

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influence of radical PLO factions advocating military operations against the Israelis in Lebanon and generate terrorist attacks on Lebanese Christians and on moderate Arab and U.S. targets in the Middle East and Western Europe.

c. Chile

(1) The authority and stability of the Pinochet government probably will be severely tested in the next several months. Protest demonstrations in May and June will be renewed in July. Opposition to Pinochet has been growing steadily in the last year and a half as a result of Chile's economic crisis. Economic growth declined 14 percent last year, and this trend has led major business associations to join labor unions in opposing the government's austere economic policies.

(2) Pinochet's response to demands for changes in economic policy, an end to the five-year-old state of emergency, legalization of political parties, and presidential elections before the president's term expires in 1989 will determine the course of events. If Pinochet's efforts to intimidate and divide opposition forces fail, he will be inclined to revert to harsh repressive measures against both labor and the middle class.

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(3) If further anti-government protests result in widespread violence, there would be a substantial chance of a split in the armed forces that could rapidly undermine the regime and stimulate military pressure to replace Pinochet.

(4) The Soviets have responded to events by instructing the Chilean Communist Party to abandon its policy of armed struggle and seek broader political alliances with its left-wing rivals, including the Movement of the Revolutionary Left. Chilean political moderates are concerned that the Communists are gaining the most from the unrest because they are best organized for underground leadership.

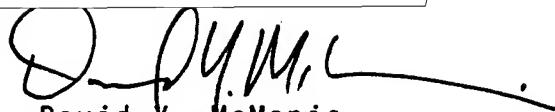
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d. Central America

(1) The chances of a Sandinista military response to incidents in which Honduran forces have fired into Nicaragua are increasing. The Sandinistas claim that the insurgents would be unable to hold territory without Honduran military support. Ongoing Soviet and Cuban military deliveries and the apparent augmentation of Cuban advisers may embolden the Sandinistas to escalate military pressures on Honduras.

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David Y. McManis

Attachments:

NIO/AF
NIO/EA
NIO/NARC
NIO/LA
NIO/NESA
NIO/USSR-EE
NIO/WE

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